

PATRICIA A. PESHKA

PURCHASING AGENT



SCOTT AVEDISIAN

MAYOR

CITY OF WARWICK

**PURCHASING DIVISION
3275 POST ROAD
WARWICK, RHODE ISLAND 02886
TEL (401)738-2000 EXT. 6240
FAX (401) 737-2364**

The following notice is to appear on the City of Warwick's website Monday, March 14, 2016. The website address is <http://www.warwickri.gov/bids>.

CITY OF WARWICK PROPOSALS REQUESTED FOR

RFP #2017-3 City of Warwick Medical Insurance Benefits & Stop-Loss Provider

Specifications are available in the Purchasing Division, Warwick City Hall, Monday through Friday, 8:30 AM until 4:30 PM on or after Monday, March 14, 2016.

Sealed proposals will be received by the Purchasing Division, Warwick City Hall, 3275 Post Road, Warwick, Rhode Island 02886 up until 10:00 AM on Wednesday, April 6, 2016. Proposals will be opened publicly commencing 10:00 AM on the same day in the Lower Level Conference Room, Warwick City Hall.

Awards shall be made on the basis of the lowest evaluated or responsive proposal price. Please note that no proposals can be accepted via email or fax.

Individuals requesting interpreter services for the hearing impaired must notify the Purchasing Division at 401-738-2000, extension 6241 at least 48 hours in advance of the proposal opening date.

Original Signature on File

Patricia A. Peshka
Purchasing Agent

PLEASE SUBMIT THIS PAGE WITH YOUR PROPOSAL

Acknowledgement of Addendum (if applicable)

<u>Addendum Number</u>	<u>Signature of Bidder</u>
_____	_____
_____	_____
_____	_____
_____	_____

COMPANY NAME: _____

COMPANY ADDRESS: _____

COMPANY ADDRESS: _____

BIDDER'S SIGNATURE: _____

BIDDER'S NAME (PRINT): _____

TITLE: _____ TEL. NO.: _____

E-MAIL ADDRESS: _____ *

*Please include your email address. Future proposals will be emailed, unless otherwise noted by you.

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II. AWARD AND CONTRACT:

The CITY OF WARWICK, acting as duly authorized through its Purchasing Agent, accepts the above proposal and hereby enters into a contract with the above party to pay the proposal price upon completion of the project or receipt of the goods unless another payment schedule is contained in the specifications. All terms of the specifications, both substantive and procedural, are made terms of this contract.

DATE: _____

RFP #2017-3 Purchasing Agent

CERTIFICATION & WARRANT FORM*

**This form must be completed and submitted with sealed proposal.
Failure to do so will result in automatic rejection.**

Any and all proposals shall contain a certification and warrant that they comply with all relevant and pertinent statutes, laws, ordinances and regulations, in particular, but not limited to Chapter 16-Conflicts of Interest, of the Code of Ordinances of the City of Warwick. Any proven violation of this warranty and representation by a bidder at the time of the proposal or during the course of the contract, included, but not limited to negligent acts, either directly or indirectly through agents and/or sub-contractors, shall render the bidder's contract terminated and the bidder shall be required to reimburse the City for any and all costs incurred by the City, including reasonable attorney fees, to prosecute and/or enforce this provision.

Signature

Date

Company Name

Address

Address

***This form cannot be altered**

**CITY OF WARWICK
NOTICE TO PROPOSALDERS**

**RFP #2017-3 City of Warwick
Medical Insurance Benefits & Stop-Loss Provider**

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The opening of proposals shall be in the order established by the posted agenda and the agenda shall continue uninterrupted until completion.

Once an item has been reached, and any proposal on that item has been opened, no other proposals on that item will be accepted and any such proposal shall be deemed late.

If you received this document from our homepage or from a source other than the City of Warwick Purchasing Division, please check with our office prior to submitting your proposal to ensure that you have a complete package. The Purchasing Division cannot be responsible to provide addenda if we do not have you on record as a plan holder.

The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap for any position for which the employee or applicant is qualified and that in the event of noncompliance the City may declare the contractor in breach and take any necessary legal recourse including termination or cancellation of the contract.

A bidder filing a proposal thereby certifies that no officer, agent, or employee of the City has a pecuniary interest in the proposal or has participated in contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same call for proposals, and that the bidder is competing solely in his own behalf without connection with, or obligation to, any undisclosed person or firm.

All proposals should be submitted with one (1) original, twenty (20) copies and two (2) electronic versions, preferably in PDF format. The exterior of the envelope shall be plainly marked to include: *YOUR COMPANY NAME* and "RFP #2017-3 City of Warwick Medical Insurance Benefits & Stop-Loss Provider."

Proposals received prior to the time of the opening will be securely kept, unopened. No responsibility will be attached to an officer or person for the premature opening of a proposal not properly addressed and identified. No proposals shall be accepted via facsimile or email.

Should you have any questions, please contact Jane Jordan, Personnel Director, 3275 Post Rd., Warwick, RI at 401-738-2000, extensions 6246 or at jane.jordan@warwickri.com.

All proposals should be written in ink or typed. If there is a correction with whiteout, the bidder must initial the change.

Any deviation from the specifications must be noted in writing and attached as part of the bid proposal. The bidder shall indicate the item or part with the deviation and indicate how the proposal will deviate from specifications.

The IRS Form W-9 attached should be completed and submitted with the proposal if the bidder falls under IRS requirements to file this form.

All proposals and rates must be guaranteed for a minimum of a twelve-month period beginning July 1, 2016 and expiring June 30, 2017. Priority consideration will be given to proposals that will guarantee premium rates and/or administration/retention charges for more than one (1) year and which include rate caps. Early termination penalties, if any, should be clearly stated as to the terms and obligations of both parties. The City of Warwick reserves the right to award this contract as a one (1) year, two (2) year or three (3) year contract, as deemed most favorable to the interest of the City. Term contracts may be extended for one (1) additional term upon mutual agreement unless otherwise stated.

In accordance with the City of Warwick Resolution #R-11-7, this proposal requires that vendors automatically extend the contract for two (2) months after the contract expires at the price contained in the expiring contract.

When a bid is awarded to a corporation, limited liability company or other legal entity, prior to commencing work under the awarded bid, that corporation, company or legal entity may be required to provide to the Purchasing Agent a Certificate of Good Standing dated no more than thirty (30) days prior to the date upon which the bid award was made.

The successful bidder will provide said Certificate of Good Standing within ten (10) calendar days after notification of award or the City reserves the right to rescind said award.

The certificate may be mailed to the City of Warwick Purchasing Division or emailed to bids@warwickri.com.

Failure to provide the Certificate of Good Standing within the specified duration of time as set forth is a material breach of contract and grounds for termination of the contract.

The contractor shall keep himself informed of and comply with all laws, ordinances and regulations of the federal, state and municipal governments which may apply and be in force during the life of the contract, in any manner which may affect himself/employees or

the conduct of the work or the materials used or employed in the work. Before submitting proposals, prospective bidders shall examine the terms, covenants and conditions of all codes, permits and laws, which may apply. By submitting a proposal, the bidder agrees to comply with all pertinent laws/regulations if awarded a contract.

Negligence on the part of the bidder in preparing the proposal confers no rights for the withdrawal of the proposal after it has been opened.

The contractor must carry sufficient liability insurance and agree to indemnify the City against all claims of any nature, which might arise as a result of his operations or conduct of work.

The City is exempt from the payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30, Paragraph I, as amended.

The successful bidder must comply with all Rhode Island Laws and all other applicable local, state and federal laws.

On behalf of the City, the Purchasing Agent reserves the right to reject any and all proposals, to waive any minor deviations or informalities in the proposals received, and to accept the proposal deemed most favorable to the interest of the City.

The City, reserve the right to terminate the contract or any part of the contract in the best interests of the City, upon 30-day notice to the contractor. The City shall incur no liability for materials or services not yet ordered if it terminates in the best interest of the City. If the City terminates in the interest of the City after an order for materials or services have been placed, the bidder shall be entitled to compensation upon submission of invoices and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided, as well as expenses necessarily incurred in the performance of work up to time of termination.

All costs directly or indirectly related to the preparation of a response to this solicitation, or any presentation or communication to supplement and/or clarify any response to this solicitation which may be required or requested by the City of Warwick shall be the sole responsibility of and shall be borne by the respondent.

If the respondent is awarded a contract in accordance with this solicitation and the respondents proposal or response, and if the respondent fails or refuses to satisfy fully all of the respondents obligations thereunder, the City of Warwick shall be entitled to recover from the respondent any losses, damages or costs incurred by the City as a result of such failure or refusal.

The City reserves the right to award in part or full and to increase or decrease quantities in the best interest of the City.

Any quantity reference in the proposal specifications are estimates only, and do not represent a commitment on the part of the City of Warwick to any level of billing activity.

It is understood and agreed that the agreement shall cover the actual quantities ordered during the contract period.

The City reserves the right to rescind award for non-compliance to proposal specifications.

The successful bidder must adhere to all City, State and Federal Laws, where applicable.

SECTION 1

A. OVERVIEW

The City of Warwick (the City) maintains a fully-insured medical plan with four (4) plan options, Healthmate Coast-to-Coast, a preferred provider organization and Classic Blue, an indemnity plan, Blue Solutions, a High Deductible Health Plan and Blue Chip, a point of service plan. In addition to these plans, the City also provides Work Related Injury (WRI) benefits and Medicare supplemental coverage. The program is currently offered through the Rhode Island Interlocal Trust and Blue Cross Blue Shield of Rhode Island.

The City has approximately 1,160 active and 273 retired employees currently enrolled in its existing health benefits program.

The details of existing coverage, claims and enrollment for the City will be available electronically. The following documents have been posted on the City website and can be accessed through the City's website. The MIS Department will arrange secure user access. Please email John Perra at john.b.perra@warwickri.com to set up a username and password to retrieve these documents.

1. Current benefit plan design specifications
2. Most recent 24 months of medical and pharmacy claims
3. Current enrollment and census data file
4. Provider Access Report for disruption analysis
5. Collective Bargaining Agreements
6. Pricing Illustration

B. PURPOSE OF RFP

The City is interested in a long-term relationship with a vendor that will provide a high quality product at the lowest pricing possible. As municipal budgets continue to get cut, keeping healthcare costs under control is paramount to the long term fiscal condition of the City. The City will need pricing for the following services and coverage:

1. Fully Insured Arrangement (if available)
2. Self-Insured Arrangement (if available)
 - a. Administrative Services Only (ASO)
3. Stop Loss Insurance (if available)
 - a. Specific Stop Loss Insurance
 - b. Aggregate Stop Loss Insurance

For your ASO quote, please include (at a minimum) the following services:

Medical Claims Administration
HIPAA Administration
Utilization Review

Large Case Management
Disease Management
Coordination and Subrogation of Benefits
Specific and Aggregate Stop Loss Insurance Coverage

C. REQUIREMENTS

In order satisfy the criteria of becoming a qualified bidder, each carrier proposing **must** comply with the following terms:

1. Provide a standard provider disruption report utilizing the Provider Access Report provided.
2. Provide your medical provider discounts (with guarantees) by setting; hospital, physician, lab, imaging and pharmacy.
3. Please indicate whether you will laser any claimants at inception of the policy and whether your contract allows for lasering at renewal. If you offer contracts with and without lasering, please indicate the price adjustment for both options.
4. Provide a monthly report electronically with all claims paid with provider name, dollar amount charged, dollar amount paid, patient responsibility, diagnosis and de-identified subscriber profile information as prescribed by HIPAA regulations.
5. Offer a multi-year agreement. Early termination penalties, if any, should be clearly stated as to the terms and obligations of both parties.

D. EVALUATION CRITERIA

The evaluation of proposals will be based on the following criteria:

Category	Weighting
Overall cost structure including administrative fees, network discounts and stop-loss pricing	50%
Multi-year administrative fee and/or premium guarantees	15%
Network Disruption (including ancillary networks)	15%
Ability to provide comparable coverage	20%

E. SUBMISSION REQUIREMENTS

- Proposals must answer all questions in the same order asked in this RFP. The list should be included in your submittal and clearly identified on separate sheet(s). A response to this proposal that does not respond to all questions in this RFP will be deemed incomplete and will be rejected.

- All questions and requests for clarification concerning this RFP shall be directed to Jane Jordan, Personnel Director, at 401-738-2000, extension 6246.
- Written questions shall be submitted to Jane Jordan at jane.jordan@warwickri.com.
- All proposals should be submitted with one (1) original, twenty (20) copies and two (2) electronic versions, preferably in PDF format. The exterior of the envelope shall be plainly marked to include: *YOUR COMPANY NAME* and "RFP #2017-3 City of Warwick Medical Insurance Benefits & Stop-Loss Provider."
- The proposals will be reviewed by the City's administration and a recommendation will be made to the City Council.
- All proposals submitted become the property of the City will not be returned. If the company intends to submit confidential or proprietary information as part of the proposal, any limits on the use or distribution of that material should be clearly delineated in writing. This information should be submitted in a sealed envelope, clearly labeled confidential and where it should be submitted in the response. Please be advised of the Freedom of Information Act as it may pertain to your submittal.
- This RFP may be modified or withdrawn by the City at any time.
- We ask that each carrier provide proposals as outlined above and that all deviations from the benefit scenarios and plan designs should be noted in the submission.
- All proposals and rates must be guaranteed for a minimum of a twelve-month period beginning July 1, 2016. Priority consideration will be given to proposals that will guarantee premium rates and/or administration/retention charges for more than one year and which include rate caps. Early termination penalties, if any, should be clearly stated as to the terms and obligations of both parties.
- All proposals must conform to Rhode Island laws and mandated benefits/policy provisions.
- **Please note that all Sections must be completed and submitted with all proposals.**

SECTION 2

STOP-LOSS COVERAGE QUOTE SPECIFICATIONS

City of Warwick, Rhode Island

The City will be exploring both fully insured and self-funded arrangements for the 2016-2017 medical plan year. Below we have provided the stop loss levels and benefits that should be considered in your quoting.

Benefit Accumulation Period:	City: 12/24
Benefits Covered:	Medical and Prescription Drugs
Specific Deductible:	City: \$150,000; \$175,000 & \$200,000 per member
Specific Stop-Loss Maximum:	Unlimited
Specific Stop-Loss Coverage:	100% of losses in excess of the specific deductible will be reimbursed up to the specific maximum
Aggregate Accumulation Period:	City 12/18; 12/24
Aggregate Corridor:	125%
Aggregate Benefits Covered:	Medical and Prescription Drugs
Aggregate Maximum Benefit:	\$2,000,000
Monthly Aggregate Accommodation (MAA):	Quote should indicate with and without MAA
Lasering:	Quote should indicate with and without Lasering, please provide pricing for both options if available

SECTION 3

ASO - QUESTIONNAIRE

RFP #2017-3 CITY OF WARWICK MEDICAL INSURANCE BENEFITS & STOP-LOSS PROVIDER

This questionnaire must be completed by all respondents submitting ASO proposals.

A. PIGGY-BACK PROVISIONS

1. Will the City of Warwick be given the opportunity to piggy-back onto any other RFP for similar services with other municipalities or other State agencies that you have offered coverage to?
2. If you answered no to question one above, please provide an explanation indicating why the City of Warwick would not be able to obtain the same pricing as your lowest priced municipal or State agency account.
3. Is any part of your bid contingent on being awarded any other part of this - RFP (i.e. retiree plan is contingent upon offering of active plan)?

B. PROVIDER NETWORK & ACCESS TO CARE

1. Please provide a list of the provider contract expiration dates for each Rhode Island based hospital in your network.
2. Please indicate if access fees are paid to providers outside of the Rhode Island "home" network for in-network services. If access fees are paid, please indicate what the fee is and how it is calculated.
3. Please provide a disruption analysis using the providers that were accessed by plan participants in the past 12 months. You will find this listing on the secure server.

C. BENEFITS & SERVICES

1. Briefly explain your programs ability to assess health, promote wellness, and prevent disease and the level of involvement of your participating physicians in these programs. Please explain your disease management program in detail and provide ROI metrics for the following conditions:
 - a. Diabetes
 - b. Asthma
 - c. Coronary Artery Disease
 - d. Heart Failure

- e. COPD
 - f. Hypertension
 - g. Depression/mental health
 - h. Low back pain
 - i. High-risk maternity
2. Should the City decide to use a third party to develop, promote, implement and monitor a comprehensive wellness program, what data can you provide in electronic format to a wellness vendor, how often can you feed this data to an outside vendor?
 3. Do you participate in a Center of Excellence program? If yes, please explain or provide literature listing procedures and sites and whether participation is mandatory, voluntary or determined by the employer.
 4. Please describe your benefits relative to transplants and experimental procedures.

D. CLAIMS ADMINISTRATION

1. Please provide a general description of your firm's experience in processing claims with particular emphasis on your experience in processing claims for governmental units of similar size to the City of Warwick.

E. PAYMENTS TO PROVIDERS

1. Please describe any unique payment or reimbursement arrangement that you may have amongst your provider panel.
2. Have you developed any Accountable Care Organizations or do you participate with any ACOs?
3. Please indicate your ASO pricing assuming you retain 100% of Rx manufacturer rebates. Please indicate your estimate of the rebates that you will receive through the policy year 7/1/2016-6/30/2017.

F. QUALITY

1. What support do you provide to Patient Centered Medical Homes?
2. Explain/summarize how your participating physicians are involved in efforts to improve clinical quality.
3. Do you have the ability to provide subscribers with quality and efficiency metrics when comparing and selecting providers?
4. Does your plan monitor provider practice patterns? If you do, please explain how and for what procedures, and describe your means of information feedback to providers. Do you have programs to control known high-utilization procedures?

5. Does your plan have the means to monitor health outcomes and/or do you receive such data from any of your participating hospitals?
6. Do you survey plan members to determine areas and levels of satisfaction? How frequently?
7. Please share the results of your latest member satisfaction survey.
8. Please describe your grievance procedure for members.

G. COLLABORATIVE PURCHASING GROUPS

1. Is the arrangement that you are proposing part of a collaborative purchasing group?
2. If yes, please describe how your program operates.
3. Is any up-front collateral required to be put on deposit with your organization?
4. Are there any exit penalties or costs should the City opt out at any time?
5. If our program is self-insured, are you providing stop-loss insurance?
6. If so, who is the stop-loss insurer?
7. Is the City exposed to any other communities' losses, in other words, is the City pooling/sharing risk with any other community that is part of your program?
8. What other organizations/communities participate in your purchasing group?
9. Please provide 36 months of financial performance of your purchasing group and indicate which communities may have joined or terminated their participating in your purchasing group.
10. Please provide a complete copy of any and all agreements that may be required to be signed by the City in order to participate in your purchasing group.

SECTION 4

STOP-LOSS QUESTIONNAIRE

City of Warwick, Rhode Island

1. Confirm that all rates quoted are final.
2. Confirm whether or not ongoing large claims will be subject to specific underwriting in the initial year of coverage and in subsequent renewal years, i.e., "laserling".
3. Provide a specimen contract.
4. Are you fully licensed to provide this coverage in the State of Rhode Island?
5. Under what circumstances do you reserve the right to review the experience and change the rate structure off anniversary? Do changes in plan enrollment during the policy year give you the right to adjust rates off anniversary? If so, please indicate the enrollment change as a percentage of the whole group.
6. We are requesting waiver of any actively at work/dependent non-confinement requirements (no loss/no gain). Describe any actively at work/dependent non-confinement requirements, pre-existing conditions or other limitations applicable under your contract.
7. Describe the administrative and reporting procedures that The City of Warwick must adopt if you are selected as the stop-loss underwriter. Include claim documentation requirements.
8. Describe specific stop-loss claim reconciliation in the event that claims exceed the specific level. Are you able to coordinate with our health care administrator to provide for advance funding? Is there a cost?
9. Do you offer terminal liability protection? Is there a cost?
10. Describe any utilization review or case management requirements under your contract. In the event of a large claim, will you perform case management in addition to or concurrent with our health care administrator?
11. Please include a copy of your company's most recent financial report, as well as ratings from at least three (3) insurance industry financial rating sources. Please indicate the dates associated with your financial ratings.

SECTION 5

QUOTE FORM

City of Warwick, Rhode Island

Fully Insured Quotes (Monthly Premiums)

Plan Name	Individual	Employee / Spouse	Employee / Child(ren)	Family

ASO Quote (Monthly Administrative Fee)

Plan Name	All Inclusive Monthly Administrative Rate	Working rate for Individual	Working rate for EE/SP	Working rate for EE/CH	Working rate for Family

SECTION 6

STOP LOSS INSURANCE QUOTE FORM

City of Warwick, Rhode Island

CITY QUOTE SPECIFICATIONS

Assumptions

Specific Stop Loss Level:
Specific Stop Loss Maximum:

Benefit Accumulation Period

Coverage:
Incurred:
Paid:
Aggregate Corridor:
Aggregate Maximum:
Minimum Aggregate Deductible:
Monthly Aggregate Accommodation:

Specific Stop Loss

Monthly Per Subscriber Rates:

Aggregate Stop Loss

Monthly Per Subscriber Rates:
Monthly Attachment Factor:

Option 1		
Quote 1	Quote 2	Quote 3
150,000 Unlimited	175,000 Unlimited	200,000 Unlimited
Medical & Rx 12 Months 24 Months 125% 2,000,000 95% Yes/No	Medical & Rx 12 Months 24 Months 125% 2,000,000 95% Yes/No	Medical & Rx 12 Months 24 Months 125% 2,000,000 95% Yes/No

Notes:

Each vendor is required to quote on at least one option above. Please quote net of all broker/agent Commissions. Please indicate your pricing for No Lasers and separate pricing for coverage that would allow Lasers if available.

FULLY INSURED MONTHLY RATES

[illegible]

ADMINISTRATION SERVICES PRICING

Rates for Administration Services, Per Subscriber, Per Month

SELF-INSURED ADMINISTRATION FEE

(Per Contract, Per Month)

\$_____

(Figures)

(Words*)

** In case of discrepancy between the written words and those in figures, the written words shall govern.*

CITY OF WARWICK

PROPOSAL AND CONTRACT FORM

TITLE OF SPECIFICATION: RFP #2017-3 City of Warwick Medical Insurance
Benefits & Stop-Loss Provider

I. PROPOSAL:

WHEREAS, the CITY OF WARWICK has duly asked for proposals for performance of services and/or supply of goods in accordance with the above-indicated specifications.

The person or entity below does irrevocably offer to perform the services and/or furnish the goods in accordance with the specifications, which are hereby incorporated by reference in exchange for the proposal price below;

This offer shall remain open and irrevocable until the CITY OF WARWICK has accepted this proposal or another proposal on the specifications or abandoned the project.

This offer shall remain open and irrevocable until the CITY OF WARWICK has accepted this proposal or another proposal on the specifications or abandoned the project.

The bidder agrees that acceptance below by the CITY OF WARWICK shall transform the proposal into a contract.

Pricing as Submitted